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VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: Joint Petition to Transfer a Certificate of Environmental Compatibility and Public Convenience and Necessity from Columbia Energy LLC to South Carolina Electric & Gas Company
Docket No. 2018-25-E

Dear Ms. Boyd:

Please allow this letter to serve as notification that the Office of Regulatory Staff ("ORS") has reviewed the filing submitted by Columbia Energy LLC and South Carolina Electric & Gas Company ("SCE&G") (collectively "Parties") for the Transfer of a Certificate of Environmental Compatibility and Public Convenience and Necessity ("Joint Petition").

Pursuant to S.C. Code Ann. Regs 103-304 (2012) and S.C. Code Ann. § 58-33-110(2) (2015), the Parties have requested the Public Service Commission of South Carolina ("Commission") approve the transfer of the Certificate of Public Convenience and Necessity ("Certificate") from Columbia Energy, LLC to SCE&G. The 540 MW combined cycle gas-fired generation facility ("Facility") located in Gaston, South Carolina, operates pursuant to a Certificate granted by the Commission in Docket No. 2000-487-E; Order No. 2001-108. In the Joint Petition, SCE&G agrees to comply with the terms, conditions and modifications of the Certificate issued to Columbia Energy LLC in Commission Order No. 2001-108. ORS does not object to the transfer of the Certificate.

The Joint Petition indicates SCE&G will sell thermal energy to the manufacturing facility served by the Facility under the same Energy Service Agreement originally negotiated between Eastman Chemical Company, Carolina Operations (“Carolina Eastman”) and Columbia Energy, LLC. In Order No. 2001-108, the Commission allowed Carolina Eastman and Columbia Energy LLC to operate under the terms of the Energy Service Agreement without the application of regulatory requirements reserved for public utilities.¹ The Commission additionally specifically “reserve(d) the right to reexamine such matters in the future should such reexamination become necessary or appropriate.”² In short, the Commission found that it was unnecessary to review the terms of the contract as it was negotiated between two private corporate entities and there was no public interest involved. Since the contract is now being assigned to a public utility under the Commission’s jurisdiction, ORS believes that the Commission should be provided the opportunity to reexamine the contract.

The Joint Petition asserts, as part of the transfer of the Certificate, the sale of steam energy under the Energy Service Agreement will continue but the Parties have not provided the Energy Service Agreement with the Petition.

ORS recommends that SCE&G be required to obtain the Commission’s approval to provide steam service to Carolina Eastman under the Energy Service Agreement. The Commission has asserted its jurisdiction related to the sale of steam on many occasions.³

Please contact me should you have any questions regarding this letter.

Yours truly,



Jeffrey M. Nelson

cc: John J. Pringle, Jr., Esquire (via E-Mail)
K. Chad Burgess, Esquire (via E-Mail)
Joseph Melchers, Esquire (via E-Mail)

¹ Docket No. 2000-487-E; Order No. 2001-108, Section 9, p.8

² Oder No. 2001-108, Section 9, p.9.

³ Examples include Docket No. 96-049-E; Order No. 96-192 and Docket No. 2017-47-E; Order 2017-453